

The best thing money can buy

Is financial freedom

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DCRAC

DCRAC launched in 1987 with a mission to advocate for investment in low-income communities under the Community Reinvestment Act (CRA) as a tool for addressing historic redlining.

We quickly learned that CRA advocacy alone couldn't transform the economic lives of the financially underserved. So we began systematically adding programs and services to meet the needs we found, starting with the Money School (financial education), DCRAC Law (with the state's only free tax clinic), and Stepping Stones (a community federal credit union).

www.dcrac.org



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Money School

In 1995, DCRAC launched Money Matters! A program designed to teach the basics. Money School—a DFLI program—found its home at DCRAC in 2019 to deliver trustworthy & FREE financial education. We serve more than 2,000 clients yearly in classes and deliver customized financial training, designed to build financial security and wealth, to up to 200 people. For example, a tailored plan for raising a client's credit score by 100 points can save them about \$1,000 each year on mortgage payments.

www.demoneyschool.org



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DCRAC Law (Sliding scale)

One way we address the perpetuation of racial and economic inequities is through estate planning. Having a will ensures cost-effective asset transfer, a power of attorney appoints a reliable adult to manage financial and healthcare if incapacitated, and a healthcare directive reduces burdens on dependents.

We work with property owners who lack clear title. The reasons are broad; some homeowners need to quiet title but there are added obstacles of liens and unproven predatory debt; others have unique issues that require an experienced, hard-working, and caring law firm. Sadly, we end up involved with the client during the probate process and often during foreclosure proceedings when they are at risk of losing everything.

<https://www.dcrac.org/dcrac-law.html>



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DCRAC Law (FREE)

For modest-income households the potential monetary impact of owing the IRS can be devastating.

For instance, a tax controversy can arise from the IRS denying a claim for an anti-poverty credit, or imposing a penalty for failing to follow the requirements of the Affordable Care Act.

LITCs provide access to representation. We do not prepare tax returns.

We are the only such program in the state of Delaware, launched in 2003.

<https://www.dcrac.org/dcrac-law.html>



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Stepping Stones Community FCU

Chartered in 2011, it is a CDFI, MDI, and FHLB member.

Innovative ways we meet community needs:

Our **bank on wheels**, launched in 2018, takes banking to our members, a critical benefit for those juggling families and low-wage jobs.

The pandemic showed the dangers of the digital divide: unequal web access cut low-income households off from education, jobs, and stimulus funds at a critical time. We found a way to address that issue. Using Cares Act funding, in 2020 we began **buying and distributing computers** to low-income members while working with Comcast to connect those households to affordable and highly reliable Internet service.

www.sscreditunion.org



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MONEY MINDSET

Mind over money



“
WEALTH IS
THE ABILITY
TO FULLY
EXPERIENCE
LIFE.

- Henry David Thoreau



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NEVER HAVING TO
WORRY ABOUT
WHEN AND HOW
THE NEXT BILL
WILL BE PAID

NEVER HAVING TO
WORRY ABOUT A
ROOF OVER YOUR
HEAD, FOOD IN
YOUR BELLY, AND
CLOTHES ON YOUR
BACK.

LEAVING THE NEXT
GENERATION—
YOUR CHILDREN—
MORE SECURE
THAN YOU EVER
WERE.

Financial Freedom is

Money Truths

1. If you do not have savings, it is as if you own a Land Rover free and clear but no gas money. You are going nowhere.
2. Be cheap and be proud.
3. If you have a beer budget, do not order champagne.
4. No one plans to fail. They simply fail to plan.
5. You can be a millionaire or live like one. You can't be both.
6. Buying on sale is still spending. Spend wisely.
7. Have a relationship with money: To have and to hold until debt do us part.
8. The Joneses are not real.

Choose the
hardship
you wish to
endure.

1. It is hard trying to figure out how to pay bills.
2. It is hard saying no to friends who want to go out and you don't because you want to save.
3. Choose your hardship!

You can be the haves, the have nots, or the haves who have not paid for what they have.

Pay yourself first



Because:

- You are worth it.
- You need peace of mind.
- Emergency will never give you a warning in advance.
- Uncle Sam gets paid before you do.... Aren't you worth that investment?

Even when you simply cannot save, please toss an IOU in a box. Change will come. Pay yourself those IOUS.

IOU means I Owe You

Saving

Too many people spend money they haven't earned, to buy things they don't want, to impress people they don't like.

Start small—50 cents a day is \$180 a year

Avoid paying fees: ATM surcharge, late fees, NSF fees, overdraft fees, etc.

Turn that saving into SAVINGS

Money is fickle. It finds a way out of our pockets.

Buy a piggy bank or use a shoe box.


Set up a bank account that you cannot touch.

Name this account—example: Saving for My Home.

Each month, move your saving into this account.

Forget it's payday

- Pay yourself first.
- 10%.
- In 10 paychecks you will have 100% of your income saved.
- Save it in a savings account.
- Make all your bill payments from a checking account.
- Transfer money from savings to checking when needed.
- Now you can forget that it's payday!



Become so financially
secure that you
forget that it's *payday*.

One Step at a time

- Can't save 10%?
 - Try 5%. In 20 paychecks you will get there!
- Can't save 5%?
 - Try a second job, part-time job, seasonal work, uber/lyft/etc.
- Can't get a second job?
 - Try to give up something that can help you save 5% or 10% each month.



Forgive your past



- If you have hit rock bottom,
 - There's only one way to go. Up.
- If you have dug a hole halfway to China,
 - Stop digging.
- Until you invent the time machine and go back in time to change the past, you can do one of these:
 - Forgive
 - Forget
 - Embrace
 - Learn from it
 - Do better next time around

Change your story:

“I will THRIVE”
not
“I will SURVIVE.”

More money
at the end of the month.

Not

More month
at the end of the money.



A Quitter
Never Wins



A Winner
Never Quits

- Napoleon Hill



www.sarakdaigle.com

Financial security is important

Financial security is important to me so I pay myself first. As a result, I am on track to thrive.

This changed story comes from one who always said, “I didn’t make enough to save so I spent it all.”

A Quitter
Never Wins



A Winner
Never Quits

- Napoleon Hill

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I want to help others

I want to help my family, friends, colleagues, and neighbors. So, I get them to people and places that can do so. Now, we all are on track to thrive.

This changed story comes from one who always said, “Money is the source of all evil and I needed for the money to do some good. So, spent it generously on others. People took advantage of me.”

“It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for.”

-Robert Kiyosaki

PlanZorro.com

Today is a gift

My mindful money decisions today will secure my tomorrow. So, I created a realistic budget I can stick with. I am less stressed and enjoy my time with my family and friends. I intend to thrive.

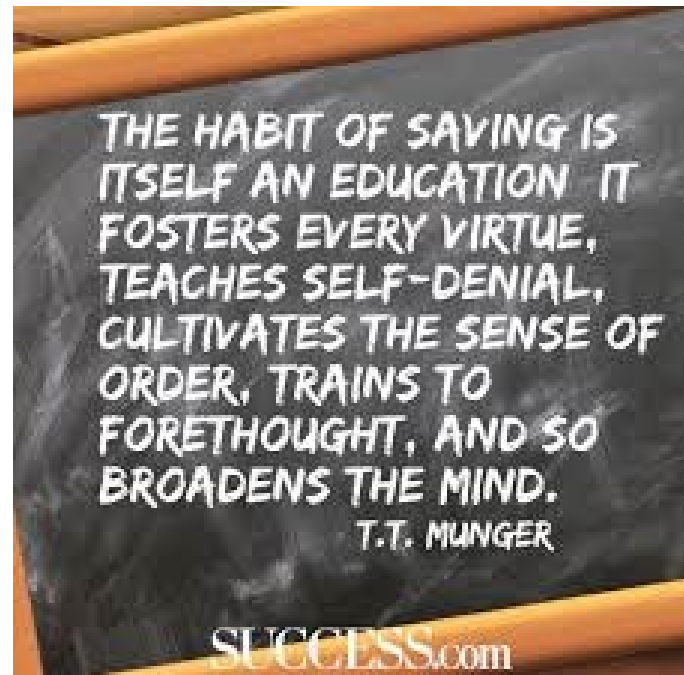
This changed story comes from one who always said, “I can’t make ends meet. I need to borrow money all the time. I feel overwhelmed and hopeless.”



Poverty is not permanent

Poverty is not permanent. It can and will be overcome. It takes a village to raise a child. The same village can help the child when he/she grows up. All I have to do is ASK because I will thrive not just survive.

This changed story comes from one who always said, “Born poor. Always poor. It's my destiny. I am always borrowing. I feel helpless, hopeless, ashamed, and depressed.”



No one plans to fail



We fail to plan. So, what's the plan for the 10% pay yourself first?

1. One month's income so I forget it's payday
2. Three month's income so I can borrow from myself when there is an emergency
3. Build savings for a planned purchase—car, home, etc.
4. To become a homeowner
5. To invest in IRAs—Individual Retirement Account
6. To hire a financial planner to manage my wealth!

No one's impressed

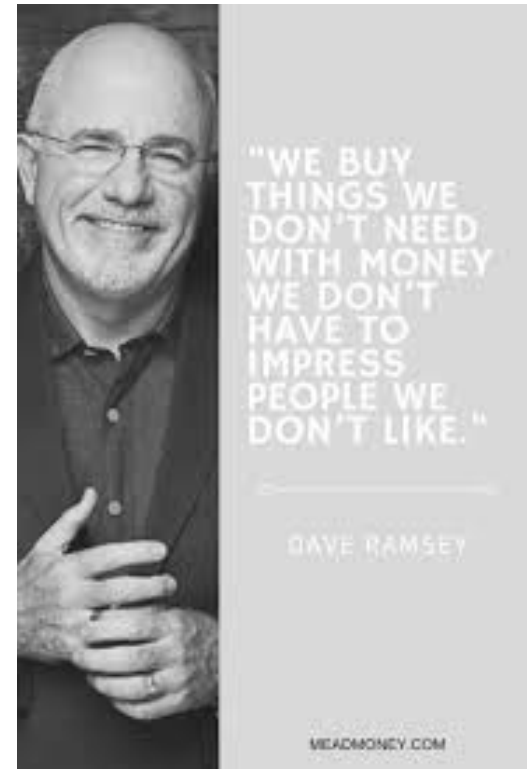
The Jones are not real. They don't exist.

Even if they did, you can't keep up with the Joneses.

Besides, do they really care about you?

Do you care about what they think?

If so, why?



No savings? Going nowhere!

If you have no savings, it is like you are driving an Audi. You have no gas money. You are going no where.



Where are you now?

1. Do you know what you own?
2. Do you know what you owe?
3. Have you created a reliable budget?
4. Do you have adequate and the right insurance?
5. Do you have a will?
6. Do you plan with tax consequences in mind?
7. Do you know your credit worthiness?
8. Do you always READ your statements to check for errors/fees?

Change is not easy

1. Write your name with the dominant hand
2. Now write your name with the other hand
3. How does it feel to write with the other hand?
4. What does it take to write with the other hand?

If you do what you did yesterday, don't expect a different result.

You want a different result? You will have to make some changes. Be prepared that change is not easy.

You have
10 minutes
to leave
your home,
never to
come back

1. What will you take with you? Why?
2. What will you regret leaving behind? Why?
3. What were you happy to leave behind? Why?
4. Why are we doing this exercise?

Understanding your relationship with money

1. Write down 8-10 words that come to mind about money
2. Underline the words that you think have a negative meaning
3. 3 things you are proud of about your money relationship
4. 3 things you are not so proud of about your money relationship
5. Which list was easy?
6. What was a joyful experience with money?
7. What was a painful experience with money?

Living Poor & Loving it

A very interesting article by Donna Freedman, Feb 9, 2007

Rule 1: Have very little money.

- In other words, learn to live on less than you bring home

Rule 2: Live on it.

- Build your budget on this less income

Rule 3: Rule 2 will change your life, if you let it.

Two ways of looking at Money

If you were to personify “money” and look at how you are with it,

1. Would you say you’re in a loving relationship?
2. Would you say you are on the verge of a breakup?

Loving Relationship

No matter how strong its foundation, any relationship without nurturing will eventually fall apart.

Nurture your relationship with money

1. Be intentional
2. Take responsibility for your actions & inactions
3. Forgive & embrace the past—especially mistakes
4. Respect money and it will respect you in return
5. Be Self-aware—you always know right from wrong

On the verge of a breakup

Decide if you want to stay together (with your money)

If the answer is no, there is nothing you can do.

If yes, then take a few small steps:

1. Set a specific short-term (may be by next paycheck) goal
2. Meet it.
3. Reward yourself with a small gift.

Be patient

1. Set another goal, meet it, and reward yourself.
2. When you are no longer on the verge of breakup, nurture your loving relationship

Forgive & embrace your past because it made you who you are today

A positive money mindset

You...

1. Look for opportunities instead of seeing roadblocks
2. Recognize that every financial situation is fixable
3. See the value of asking for help instead of struggling silently
4. Accept that even small steps add up to progress, even if it's slow

To your
success...
Cheers

Find your core values

Focus on what matters

Let go of everything else

Align everything around your values. Your job, health, fun, and money.

Remember, everything can be fixed

A picture says a thousand words—find a picture of your values and place them where you can see it everyday—constant reminder

Values—a few ideas

